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FOR AF A/S FRAZER AND DAS YAMAMOTO FROM CHARGE VICKI
HUDDLESTON

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TAGS: PGOV PHUM ECON EFIN MARR ET
SUBJECT: ETHIOPIA: PM MELES TOUR D'HORIZON ON TPLF
CONFERENCE DECISIONS

¶11. (SBU) Summary: In response to a request from major donors, Prime Minister Meles met September 30 with the Ambassador's Donor Group (ADG) to review internal and external developments, as well as to review the decisions of the Tigray Peoples Liberation Front (TPLF), the core decision making body of the ruling EPRDF. Meles said that the major areas of discussion were governance, capacity-building, and democracy; economic development was an important sub-theme. Present at the party conference for the first time were representatives of the private sector and non-party members. The most significant actions to be taken by government are as follows:

-- Government will be accountable to civil society organizations, who will be able to participate in local government discussions and have improved access to the media.
-- Government will stay at a distance and create a positive environment for the operation of the Human Rights Commission and the Ombudsman.
-- The verdict in the trial of Hailu Shawel et al will likely be handed down by 2007.
-- All of the opposition parties in Parliament will be treated as full participants in Parliament and as full partners.
-- Meles will meet with the leaders of the opposition parties to restart the opposition party dialogue with the EPRDF. This dialogue will not be limited and will address a proposed media law that would reflect international standards as well as reform and capacity-building in the National Electoral Board (NEB).
-- Illegal activities will be punished and rule of law will be strictly enforced with respect to the insurgencies and those parties or groups that do not adhere to the constitution.
-- An anti-terrorism law is in the works.
-- The Independent Commission of Inquiry report will be forthcoming soon.
-- The cabinet will approve Ethiopia's submission of its memorandum of trade practices to the WTO, the next step in WTO accession.

¶12. (SBU) In my view, we can anticipate progress on reforms that will provide more political space and improved access to the media for the legal opposition, as well as more consultations on the composition of the NEB and preparations for the 2007 local elections. At the same time, those groups

and parties that act outside the law -- to include civil disobedience -- can expect an even sharper government reaction. This in part reflects government's preoccupation with Eritrea's support for these groups. Overall, I would call PM Meles' new policy "the iron fist in the velvet glove." End Summary.

HOW THE GOVERNMENT WILL DEAL WITH
CIVIL SOCIETY ORGANIZATIONS AND NGOs

¶3. (SBU) Meles said that he anticipated that the trial of "Hailu Shawel et al" would be completed by the beginning of 2007. The Prime Minister said that the Government bureaucracy to some degree misunderstood civil society organizations, but that this had been remedied at the TPLF conference. We could anticipate a relationship between Government and Civil Society to be based on mutual accountability. Civil Society Organizations (CSO) will be accountable to their members and the Government is accountable to Civil Society. Members of CSOs should be able to influence their leadership and should not be dependent on foreign sources for personnel or for major resources. (Meles later explained that he did not have any problem with foreign funding of CSO projects.) Meles made clear that foreign NGOs are separate and apart from local CSOs. Foreign-affiliated NGOs are "partners" of the Government, but the Government is not accountable to them as it is to indigenous CSOs. Meles said that he hoped that CSOs would begin attending Kebele (local governing body) meetings, where they could raise and discuss issues. This would improve the exchange of information on the local level and improve local governance. CSOs would have access to the media as per recommendations in the USAID-funded media

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best-practices study. The CSOs should be registered with the ministries which govern the area in which they work. The Government's view of CSOs and Civil Society in general will be reflected in the Governance matrix being prepared by the Finance Ministry and the Donor Assistance Group (DAG). Meles sees no major gulf between the ADG's vision of governance and that of the Government. Overall, Meles said that NGOs had a generally positive impact in Ethiopia and add to the resources available for development and democracy.

THE OPPOSITION PARTIES

¶4. (SBU) Government intends to be more open to the legally recognized opposition political parties, regardless of whether they are acting in a strictly legal manner. Government's engagement with these parties will be based on the Constitution. The modification of Parliamentary procedures at the urging of the opposition and the donors was not "appeasement", but a principled decision based on international practices. The rule of law will apply at all times in order to remove conflict and fear. The EPRDF will strengthen its dialogue with the Parliamentary opposition parties on all issues, especially the drafting of the new media law and the capacity building/reform within the National Electoral Board. As CUDP has not yet been engaged with the EPRDF on the issue of rule of law, it will have this opportunity; UEDP-Medhin has already begun this dialogue. While the EPRDF prefers to engage all the opposition together they will respect their wishes to be engaged separately in the dialogue.

¶5. (SBU) Meles said that he would meet soon with the leaders of all the opposition parties to reinitiate the dialogue on democratic reforms. However, he said that he is worried about a dispute between UEDP-Medhin and CUDP over representation in Parliament. He asked that the donors-- led by the US Embassy -- who had worked out the agreement between the four parties attempt to ensure that this agreement will

remain valid. ADG Chair promised to do so and asked about the CUDP's claim that the EPRDF was attempting to force the CUDP into a different or lesser status in Parliament. Meles said that as far as the EPRDF is concerned the CUDP should remain with the representation agreed upon in the ADG-brokered agreement. He explained that all the opposition parties - including the CUDP - had signed an agreement on Parliamentary rules which stated that parties that were formed after the elections would be considered as Parliamentary Caucasus. (Comment: our reading of the rules is that the agreement does not say this, but rather states that "Parliamentary Groups" can either be parties or groups that did not compete against each other in the election. In the case of the later, both CUDP and Medhin would be Parliament Groups. This issue will have to be sorted out over the next week.) Meles stated that CUDP does not have seats in Parliament as the "CUDP" because it did not exist when the elections were held, therefore it is a caucus. He claimed that this status still gives Temesgen Zewde, the CUDP Whip, the same legal status in Parliament. "It does not in any way diminish CUDP rights in Parliament. If they have 46 members they will given the time and status accorded to 46," Meles said. Meles also stated that there will be a discussion with the opposition parties on a scheme for financing political parties. COMMENT: UK and French Ambassadors commended the PM for his positive approach to CSOs and the intent to renew and strengthen the EPRDF dialogue with the opposition parties. The USG and Canada commended the government for the pardon of 10,000 prisoners on Ethiopian New Year.

HUMAN RIGHTS ORGANIZATIONS/ INQUIRY COMMISSION/
AND TEACHERS ORGANIZATION

¶6. (SBU) In response to a questions on the GOE-funded Human Rights Commission and Ombudsman, Meles confirmed that these are institutions that hold the Executive accountable for its actions, and as such are an important part of a system of good governance. Government will stay at a distance and

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create an environment in which they can operate effectively. In response to a question about why members of the Ethiopian Teachers Association had been jailed, Meles said that this was an example of applying the policy of sticking to the law.

The judicial system had found that the ETA was an illegal organization. Some people had tried to defy this ruling and were detained. While Meles understands that the ETA has many friends abroad, this is simply an example of applying the rule of law strictly. As for the Independent Commission that has been investigating the violence of June and November 2005, he anticipated that the report would be forthcoming, although it had been delayed.

ILLEGAL ACTIVITIES AND INSURGENCIES

¶7. (SBU) The Prime Minister stated, "Parties who are willing to engage peacefully will be recognized, if not the Government will try to reduce them. There will be no dialogue with them until their statements and actions indicate that they will work within the constitution."

(Comment: This undoubtedly applies to the five CUD jailed leaders who have recently published a calendar of civil disobedience and endorsed the Alliance of the CUD with the ONLF and OLF. As for the ONLF insurgency, Meles said that it was a problem before the crisis in Somalia. Now it is more so because it is easier for the ONLF to associate with the activities of the AIAI in Somalia and the Ogaden. The internal and external risks the Government faces are related to one another. The Government will therefore sharpen its response to these challenges by looking at institutions that can help rid the country of these elements. The government intends to table an anti-terrorism law in Parliament. Meles

said that the risks today are about the same as last year in regards to threats from terrorism and instability (Comment: Tensions and risks were fairly high this time last year.)

THE ECONOMIC PLAN

¶ 8. (SBU) Meles identified the major economic problem as uneven growth. Rural farming areas are often in surplus, while pastoral and urban areas are less so. Of particular concern are urban youth that are not benefiting from or participating in the economy. The Government will try to re-balance the economy without slowing growth by linking urban, rural and pastoralists sectors. It will focus on pastoralists and on food-insecure areas. Growth corridors will be linked with the slow growth areas. The Prime Minister believes macro stability is impacted by a 20% inflation rate in the urban economy that needs to be reduced.

It appears that incomes have not kept pace with the rise in prices, he commented. Concerning economic governance, the Government will combat corruption and improve efficiency while expanding dialogue with the private sector. The PM noted that private sector representatives were invited to the TPLF conference for the first time. Government will continue to try to attract foreign investment, especially in the areas of natural resources and infrastructure. There are no immediate plans to liberalized the financial sector, however, as Government lacks the regulatory capacity. The Conference agreed that Ethiopia will join the WTO as soon as possible.

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